

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

November 16, 2004

4:30 PM

Chairman Smith called the meeting to order.

The Clerk called the roll.

Present: Aldermen Smith, Osborne, Shea, Thibault

Absent: Alderman Guinta

Messrs: R. Sherman, K. Clougherty, S. Wickens

Chairman Smith addressed Item 3 of the agenda:

Communication from Guy Beloin, Financial Analyst II, submitting the City's Monthly Finance Statements for the four months ended October 31, 2004 for FY2005.

Randy Sherman, Deputy Finance Officer, stated these are the October statements and if we were dealing in a normal year I'd come in and I'd tell you that through October everybody is doing okay because they were. I think the key financial statements you're going to want to look is when we send you November's, which will reflect the two percent cuts. The departments up to this point have been trying to work as if they had a two- percent cut, but the numbers on here reflect the full budgets. So going forward in the report you'll see the 98 percent budgets. But at this point, I do not have all of the two- percent cuts from the departments yet. I have about a handful that are still working on giving me where the cuts are going come from. Some departments are getting pretty thin in some of their line items to the extent where they're cutting \$10.00 from a line item so they can try to make their cuts. But through October we're okay. What I would say as far as the revenues, which are on the last few pages, we don't see any superstars this year. Usually there's something that jumps out at us that's really performing well. Auto registration right now is just chugging along; it's not bringing in excess money. Certainly at Alderman Shea knows when we were doing the tax rate setting, we went back and scrutinized every revenue with every department and we only ended up increasing three of four of them. The main increase where we thought

we would see some more money is in the investment income and that's particularly due to the increase in the Federal funds rate. But at this point we don't see that there are any problems, but the key will be when we come back and start looking at the expenses in comparison to the 98 percent budgets.

On motion of Alderman Osborne, duly seconded by Alderman Thibault, it was voted to accept the communication.

Chairman Smith addressed Item 4 of the agenda:

Communication from Randy Sherman, Deputy Finance Officer, providing a listing of budget transfers approved at the end of FY2004.

Mr. Sherman stated I believe that this is actually a request made back at the August meeting by Alderman Guinta, who is not here this evening. And what he was looking for were larger adjustments that departments had made at the end of the year. Typically as we get into the last quarter of the year where we're past the snow season, we're past the major vacation times, so people get a good feeling on how much money they've got left in their operating lines and Alderman Guinta had asked to get a look at this. Again, I think it was probably so he could really see where maybe there were some extra dollars laying around in the 2005 budget. But this is the list as requested with which accounts they came from, which departments they were, and what the dollars were transferred and used for.

Alderman Shea asked Randy, there was a lot of discussion and I did mention to Kevin earlier today about Police vehicles. Are they pretty well set for vehicles? I don't know how many they got replaced.

Mr. Sherman replied they got probably a little over half of what they needed replaced. There was a little bit of money this year to do a few of them, but if you recall back in May we had brought forward the proposal to set up a capital reserve fund using the fiscal year conversion bonds going forward, so at this point we're trying to get into that 2006 budget period where we'll have depending on how the Aldermen choose to appropriate it, maybe upwards of a \$1 million that we can use for motorized equipment and technology type items is what the reserve would be there for to really do some catch up. So yes I think some of the departments are duct taping and using baling wire to hold some of the vehicles together, but the issue is trying to get to that 2006 budget.

Alderman Shea stated just by way of comment, I think the Highway Department several years ago was in need of different vehicles and I'm sure that if we could do something in that regard it would certainly help the Highway Department. I know that they had problems...

Mr. Sherman stated yes they're actually on the list that was provided there. The second one up from the bottom. One of the issues that Highway had last year, they had I believe two survey vans that they didn't think they could get inspected and that's why the Mayor released those funds out of Highway's budget so that they could do that. Highway has put together an MER plan, they've got the list of all of the vehicles and it's just a matter now of coming up with the funding. They try to prioritize and they try to take care of the bulk that they can, but there's significant number of vehicles out there that it's getting to be an aging fleet and it would be helpful if we could get that fund established so that going forward it's really a non-issue.

Alderman Osborne asked is there anything Alderman Guinta should know or is there anything in here...?

Mr. Sherman replied no. I think at this point he's got this, he's got what he had requested, I think what's going to be key too is, actually I think it was Alderman Smith that had asked, when we get all of the line items that the departments are now using for their two percent cuts, we'll present that to you as well, so again, that might give you some information heading into next year's budget process.

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to accept the communication.

Chairman Smith addressed Item 5 of the agenda:

Communication from Randy Sherman, Deputy Finance Officer, providing a summary by department of travel costs incurred for FY2004.

Mr. Sherman stated what I will tell you is what we did in this case, is we went back, there's one object code in the system that's travel and conferences. And this really is just the totals that were charged to those amounts for last year. What I will tell you though, is if somebody has charged something to another line item or if somebody has charged something to a grant, we did not necessarily find those when we put this together. We just went in and looked at what everybody had charged. But these are the dollars that were charged to that particular line item. So within those numbers you will have both conference fees and any costs associated if there was travel related to those conferences. It would not include

any mileage, so if somebody went to a conference in Nashua, the conference fee should be in here but the mileage wouldn't be. But if they went to Washington, DC, then it would be in here, that travel cost would be included. And I'm not sure I can address everybody's but if there's some particular questions on them I can try to answer them.

Alderman Thibault stated Randy I see Manchester Water Works, does that come out of the City's budget?

Mr. Sherman answered no, that would be what they charged on their own side. They paid for it as did aviation and EPD.

Alderman Osborne asked how much does this differ compared to the last report? The total?

Mr. Sherman asked for 2003?

Alderman Osborne replied yes.

Mr. Sherman answered to be honest with that, we didn't go back and look at 2003. We could do that real easy if that's something you'd like to see.

Alderman Osborne stated I just wanted to get some comparison.

Mr. Sherman stated but I can tell you something like Finance that's an aberration. We had three bond sales, we had trips down to the Eastern League for the baseball meetings, so there were some extraordinary costs in there. Now when we go down and go to Wall Street and make a presentation down to Wall Street, we also pick up the Mayor's cost because the Mayor attends those meetings with us. So you'd see that this year but in 2003 you wouldn't see all of those costs and certainly in 2005 you won't see all of those costs. Somebody like City Clerk, I know every year they've got their conference that they go to, so they send their three or four people and the City Clerk is probably pretty consistent every year as far as what they're charging.

Alderman Thibault asked is there a way we could cut the Health Department a little bit?

Mr. Sherman responded well I think which is why I brought up the issue. Because the Health Department they have all of their grants and without going through every invoice of every grant, we just couldn't come up with a number for them.

Kevin Clougherty, Finance Officer, stated I was just going say, Alderman, a lot of the conferences and some of the bigger numbers that you see here from like Finance and water and aviation, we have people that have professional certifications, CPA's, certified finance people, part of keeping that designation that shows well for us on our credit rating. On our credit report we talked having a serious professional staff, so that helps us with the credit rating, but the flip side of that is that the people have to have training and sometimes that requires conferences and that is probably more true at the Airport in keeping his engineers and all those people certified as well as Water Works and all their engineers. So a lot of that is ongoing certification. I think that's what Randy's referring to with the City Clerk. One of the things that we talked about, I know I talked to Alderman Shea about, was the idea of having some type of reporting coming back to this Committee on Accounts. If somebody's going out on a conference that they're required to somehow submit some type of summary or highlights of what they learned and could be an attachment. That's something we're going to talk to the Mayor about and explore some of that.

Alderman Shea stated I think we had discussed that. I think that's helpful in terms of letting the committee and others know what the input of that. I know Leo Bernier submitted a report recently to the Board, of one page, which was helpful and it indicated what different types of things the office down there was exposed to up in northern New Hampshire at the conference. So I think this is helpful.

Mr. Clougherty replied it think it is too Alderman, because a lot times the perception is you're sending somebody to Washington or New York and wherever they're going to get this training, and the fact of the matter is, they're coming back with useful information on what are the changes of latest standards. One of our other expenses each year is to send people to the HTE users conference and they come back and they gain knowledge about how to use the new modules, how to be more efficient in the application, and that saves bringing on other people. So we support that and we should do something like that.

Alderman Osborne stated all I was getting at is there is not a voluminous difference between 2003 and 2004. Right?

Mr. Sherman replied I don't think so.

Alderman Thibault stated I attended for one day the City Clerk's conference up at the Mt. Washington and it is unbelievable the amount of information, the changes in the State statutes that they have to know and I imagine that's where they get the information firsthand so that they know exactly what they have to do.

Mr. Clougherty stated and that's the same with us as it is for the engineers, it's a changing world and standards, especially what's been going the last couple of years in our profession with ENRON and the Gatsby Pronouncements, trying to keep abreast of that so that our financial statements are accurate it's a good investment.

On motion of Alderman Thibault, duly seconded by, Alderman Osborne it was voted to accept the communication.

Chairman Smith addressed Item 6 of the agenda:

Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:

- a) department legend;
- b) open invoice report over 90 days by fund;
- c) open invoice report all invoices for interdepartmental billings only;
- d) open invoice report all invoices due from the School District only;
- e) listing of invoices submitted to City Solicitor for legal determination; and
- f) accounts receivable summary.

Sharon Wickens, Financial Analyst II, stated before we get into the report over 90 days, I just wanted to mention that there was a management company that owed quite a bit of money and the City Solicitor did bring them to court and we did receive judgement against the company. We were able to collect about \$9,000, so we are happy about that. We do pursue these accounts, however, it just takes so long. It seems like it takes forever, but we did collect it and I just wanted to note that on the Solicitor's side and they are gone. The other thing I would like to mention, we had received approval from this committee to start charging interest on accounts over 30 days. I've been working with getting the system up and running and have started as of November 4th to track all of the invoices that are over 90 days starting November 1st and we will start getting an 18 percent finance charge. So that has been started and you'll maybe start to see collection on some of these accounts. Other than that I didn't know if you had any questions regarding the report. Alderman Smith I know you were in and you got a lot of your questions answered.

Alderman Osborne asked how did we arrive at the 18 percent?

Ms. Wickens answered I believe that's what's allowed under State statutes.

Mr. Sherman added that was the maximum.

Alderman Thibault stated on these construction Police officer duties, if in fact these construction companies don't pay, how do these officers get paid?

Mr. Sherman replied actually the officers themselves actually kick into a pool of funds. There used to be a point where we didn't pay the officers until we collected, but now what they do is they actually kick in something like \$1.00 an hour or \$1.25 an hour, I can't remember what they're current contract is, and they fill up the bucket and as we need it if we don't collect it, they can just recycle those dollars and then if that ever gets drawn down, you'll start again. So they kick it in for maybe six months and they stop and then they kick it in and it comes and goes.

Alderman Thibault stated some of the really owe some money.

Ms. Wickens stated I do balance extra detail. It's in reserve in case we have to write off and we monitor it.

On motion of Alderman Thibault, duly seconded by Alderman Shea, it was voted to accept the communication.

Chairman Smith addressed Item 7 of the agenda:

Communication from Sharon Wickens, Financial Analyst II, submitting the 1st quarter FY2005 write-off list for the Accounts Receivable module.

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to approve the write-offs.

NEW BUSINESS

Kevin Buckley, Internal Audit Manager, stated on this you have an audit of a checking account over the Office of Youth Services. This is very much like the last audit I did of a checking account at the West Senior Center. It was off the books of the City, it was used for collecting fees for three programs they had over there and the money pretty much came in and then went right back out for expenditures. This was brought to our attention by the office itself when the new Direction took over and he wanted to know what to do with the account. Since that time the account has been closed, the money has been transferred to Finance, and you'll see in this report there's observations. Three of them have to do with just accounting and internal controls that needed to be upgraded and if you look at the appendix on Pages 8, 9 and 10, the Office of Youth Services has responded,

they did a very good job of correcting all of the deficiencies they had in the internal controls concerning these three accounts.

Chairman Smith asked is this very much similar like the Elderly Services now that Finance feels comfortable they're going to handle it?

Mr. Buckley answered this is different. The office has closed the account completely so they no longer have the checking account and they run everything through Finance. And the reason that Elderly Services wasn't able to do this is because the way they use their money is they need access to it much quicker. They collect a lot of it and send it out and so they're just reporting to Finance the money so that Finance can report it in their financial statements. The Office of Youth Services actually closed the account and now they deposit the money directly with Finance and it shows on the financial statements that way.

Chairman Smith asked what about petty cash and then I know she had over \$100.00, he would have to turn it in the next day or the previous day or who is that going to work with the Office of Youth Services? Because I guess they're getting money from three different sources. They are given deposit slips and they deposit it directly into the bank then they send the paperwork over to Finance.

On motion of Alderman Thibault, duly seconded by Alderman Shea, it was voted to accept the audit update.

TABLED ITEMS

On motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to remove Item 8 from the table.

8. Reports requested of Finance Department as follows:

- a) inventory of City departments on HTE systems and a description of how system works;

Mr. Sherman stated back in August, and I believe this conversation really started all around the accounts receivable issue. The question was asked how does HTE really work, and again, is everybody using it, are they using it to the maximum. So what you have is you have this diagram that I'm sure you can all follow, but really what this tells you is the way HTE is actually designed, it's actually a bunch of independent modules and then depending on what each module does, it feeds information to another module. For example you have licensing. So that would be something like maybe the Health Department would use and they do their food

licensing and those types of things. They track all of that information in the licensing module, and then when they add the information in there, it automatically sends information to the cash receipts module, and then the cash receipts module sends it into INFISYS. INFISYS is where we do all of our accounting. So everything kind of works off in it's own little module; payroll gets run over here, accounts receivable gets run over here, EPD runs there, and then it all ends up sharing that information and feeding it into the one central location. Now where we have some of the problems is, is that some of these modules all have their own individual receivables and they have their own individual customers, so to speak, which is where sometimes Sharon runs into a problem that somebody may owe the Health Department and then they also owe the Fire Department and nobody knows that they're the same customer and we have those types of problems. The system does have the ability to put into it some hooks so you can tell that things are the same and that's really what the land management package is. What we've given to you on the second sheet are the departments and what modules they do use and don't use. Again, most of the departments use the modules that we think they should be using. Some of them really under utilize them. Some of them still prefer to use manual systems or stay with spreadsheets, but really in the true sense, it really is still a pretty young system. We're still bringing on new modules. As you may recall, we're now just getting into the process of starting to accept payments on line. Something like the licensing module I believe only came on last year. Even though we brought payroll up in 1997, taxes didn't come on until 2000, so we're still bringing some of these things along. And then obviously once they're all on, then we can go back and get all of those hooks in place to kind of help. Some of them do work. There are some places where Sharon can go on line and she can see that they owe money to three different departments, but that's really the way the system is designed. It gives us a lot of flexibility and you can really provide a lot of security because everything is off in their own modules. Where I give somebody security on payroll, I don't have to give them security in the building permits module, because they're two separate ones. I'm not sure if there's any specific questions dealing with the system, but that was the information that had been requested, I believe back in August.

Alderman Thibault asked is it because of lack of knowledge that some of these people don't use it and is it labor intensive by not using it?

Mr. Sherman replied if you want to get good information out, you've got to spend the time to get good information into it. And a lot of the times it is that we just don't have the staff to get it up and running. Something like fixed assets, which every department clearly has fixed assets, but it really is centralized in the Finance Department. We kind of maintain it and if we see somebody goes out and they buy a truck, we make sure that that truck is now added into the fixed assets. But in

all honesty, it's still not up and running 100 percent. It's one of those that we had a system that was working, it continues to work even though we HTE and as we have time, we bring it up a little bit at a time and bring those things along. It's a good system it provides a lot of information, if you've got the time to put the information in. And again, a lot of the departments say I don't have the time, I'm going to do it the shortest way I can do it and again, when there's free time we can get around to those things. This is actually when budgets are over and audits are over, our auditors are in now, but they'll be gone. We kind of have a two or three month period where we can do some catch up and pick up some of these things. And like Sharon said it's taken us a long time to get interest on the accounts receivable module. That's one of the things that she's been working on and again, we're doing on line payments and we'll just bring things along a little bit at a time. And some of it, you're right Alderman, it's just education and getting them comfortable with it.

Alderman Shea asked Randy, in years past the School District, they could not become involved with the HTE according to their reasoning and they used their own accounting system, etc. Are they part of the HTE now or not or how is that working out?

Mr. Sherman answered no. They run their own system now. They cut their own payroll checks, they do their own accounts payable, they have their own financial statements, their own auditor, they are independent from anything that we do over here as far as that goes. The real role at this point that you obviously appropriate their funding and then they go off and do what they do and at the end of the year we get their financial statements and we do include their financial statements within our financial statements, again, because you're the appropriating body.

Alderman Shea asked does that complicate your situation here?

Mr. Sherman answered no. It really doesn't. We have almost a similar situation with the Transit Authority. They are included in our financial statements, but their employees aren't on our payroll, they have their own retirement system. They run as a separate authority, but they roll into ours. Are there some benefits both ways? It gives them more flexibility but could there be savings if you were doing it the other way, possibly, but the system didn't seem to work for them. They have certain education reporting requirements that when Superintendent Tanguay was there they just didn't seem to think that this one was the best.

Alderman Shea stated I thought that when they didn't become part of it it's because they didn't have some kind of a module or something, I'm not sure if I'm using the right term, but there was only one in Alaska at the time that was compatible to that.

Mr. Sherman stated yes, there was only one other school district that was using it at that time. They did use it for a couple of years and then when the court case finally got resolved, that's when they went and actually got their own. Because they were on their own way back when, then they were on ours, then they went out on their own, then they came back on HTE at the beginning, and then they went back again.

Alderman Shea asked now if that were to become a department rather than remain a district, would that make any difference as far as...?

Mr. Sherman answered I would probably suggest, if that should ever happen, I would suggest that they don't go back on HTE, but what I would suggest is that we have access to their system. If they need a specialized system and they have to run it that way and it works for their reporting, which is extremely important to their operation, as long as we have the treasury function and we've got the reporting function, we don't need to necessarily have it within this INFISYS, within our little circle, we can still the information.

On motion of Alderman Osborne, duly seconded by Alderman Thibault, it was voted to receive and file Part A of the report.

Alderman Osborne stated I just wanted to say to Sharon that's a nice job on that \$9,000.

Chairman Smith stated I noticed on the HTE, the Manchester Water Works must run very independently because I noticed they mostly...

Mr. Sherman replied actually this is a good example. They actually run their own financial package over there, again, because they have to do utility accounting, which is different than we do. So they run and what they do is every month they send us information and feed into our system so we have it, we still cut their checks, we still do their payroll for them, but they were actually running dual systems almost. But technology wise there's a lot of things that are just done automatically.

- b) summary of Civic Center line item regarding policy decisions with respect to fees and contracts.

Chairman Smith stated I think several members are very concerned about the parking garage, so if you can elaborate.

Mr. Sherman stated there were a number of recommendations. I guess it really came from the result that we had discussed the fact that we were losing money on the parking operations with the way that we were running Verizon and was there really anything that we could do in that regard. So we sat down, the Finance Department along with Traffic and the Mayor's office and we said okay do we go from here, and we came up with a number of recommendations. The first recommendation he Center of New Hampshire Parking garage, there is a cost to maintaining ownership to that and we think that you'd be better suited if you took that garage, which we tried a couple of years ago, we actually tried to sell both garages at the same time, and again try to go out and see if we can privatize that operation and that would eliminate that carrying cost that we have because we're running it. So that's one recommendation that we have for the committee. The second recommendation, which may probably take precedence over selling the garage, is that we think that we spend a lot of time tinkering around with parking and we really should have a comprehensive downtown parking study done by somebody that really understands the benefits of parking, how it should be operated, that they've seen how this is done nationally, and really understand operating hours, costs, how it should function. We try to take care of maybe certain little things here or there, like right now we're focusing on the Civic Center area, but if we went back and said overall you've got over 2,000 parking meters, you've got all of these garages, you have these open lots, how should this be done. What should the fees be, what should the hours be, where should we maybe have free parking, 10-hour meters, 2-hour meters, and we have all of these issues that we keep trying to tinker with and maybe its time to step back and let somebody come in and take a look at that.

Alderman Thibault asked couldn't we send that to the Traffic Committee and have them look at this problem.

Mr. Sherman stated I was going to agree, and if I can the third recommendation that we did have was that we think that we should start looking at multi space parking meters. Right now you have the polls out there, most of them have two heads on it, but you have a pole for every two parking spaces out there. The attachment to your package shows a multi space meter. I've seen these used in West Palm Beach, Ft. Lauderdale, Seattle, New York. They are now the rage and the advantage of them are, and you can go through the little presentation that's attached here, there's a number of advantages to them. Mainly they can accept more than quarters. If you want to accept dollar bills, you can accept dollars, if you want to accept credit cards, you can accept credit cards. They do a nice job cleaning up your landscape, which is why a lot of cities have gone to them. It makes cleaning up in the winter a lot easier. People don't have to climb over snow banks to try throwing a quarter in the meter. Just like we know go and shovel out fire hydrants you can now go and shove out one meter and let people

have access to them. They reduce the amount of collections that you have to have. These things are so smart now they'll actually send you an email and say I've got \$600.00 in me, come and get me. But you know what, if there's only \$20.00 in it, you say no we're going to skip that one today. Right now you've got people going around, they stop at every pole, whether there's money in it or not. They also have the ability, and this is really where we get into the Civic Center issue, is they have the ability to accept multiple pay schedules so that you can remotely, through a computer, you can go in and say we have an event down at Verizon on Thursday night, on event nights it's not \$.50 an hour, it's \$1.00 an hour, and you know what, it doesn't go until 8:00PM, it goes until 10:00PM, and thirdly you can't buy it in hour increments, you have to buy it in four hour increments. You have the ability to do those things. I'm not say that that's what we should do, that's why we want to go out and do the study so we can tell. But these machines have the ability to do that. I think it probably was a month or so ago I think you had that taste of Manchester thing and the motion was don't charge to the meters that night. We'll Tommy could have sat in his office and said okay we're not charging that night and he could have shut them all off. It just gives you a lot more opportunity. Now we do have a company that we've talked to and this is no prejudice towards this company, but they have offered to bring in some machines and let us use them on a trial basis. So again, I agree with you, I think this entire thing should be sent to the Traffic Committee. I know Traffic, as a matter of fact on your agenda tonight, I know you have the issue from going from \$65.00 to \$70.00, maybe that's something you table and say let's step back, let's do the study, let's find out what it really should be. But clearly, this isn't the committee to make these decisions.

Alderman Thibault stated these are all things that Traffic could look at.

Mr. Sherman replied absolutely. You send that the Traffic Committee and those are recommendations coming from staff at this point.

Alderman Shea asked Randy, how much are we losing with parking at the Radisson? We're losing quite a bit of money. I don't know much over the course of a year, but I would say...

Mr. Sherman replied right now I'd say probably over \$100,000 a year is your carrying cost and discussions with Bruce Thomas, he sees a major capital expenditure coming in maybe the next five or six years, so once you hit that you're going to be in the \$200,000 to \$300,000 a year that you're losing by retaining ownership.

Alderman Shea asked so why wouldn't we want at this time to separate these issues and say, we're not going to get out losing money regardless of what study is done. I say what we should do is make a proposal to privatize, whatever you want to use for a word, but sell it...we're just throwing money into a bottomless pit.

Mr. Sherman stated you can clearly separate these issues.

Alderman Shea interjected I agree with you on the other items, but this item right here, the sooner we can divest ourselves of this situation, in my judgement, the better. I mean it makes no sense to keep it and then keep pouring money into something that's obviously costing us money to do. That's fool heartedness.

Mr. Sherman stated I agree, and I would also add, and if you want to take that company up on their offer to take some machines and use them for a little while, we need to do that before winter. Because they'll set these things in concrete, so they need to get in and set them in so they obviously don't want to be out there doing that in January. So if we're going to do something like that, that one should be kind of moved along quickly. And again, the area that we thought of was we picked some areas around Verizon and set them up, put some bags on the meters, shut the meters off and see how they work and see how people like them.

Alderman Shea asked might we be able tonight to make a proposal, at least I'm going to make a motion that we try to expedite having before the Board a decision as to whether or not we want to sell the garage.

Chairman Smith stated I have one comment and I think Alderman Gatsas would like to say something. I think we did shoot ourselves in the foot by trying to be Manchester friendly to the downtown area. We changed the areas from 10:00PM to 8:00PM, then we gave week ends, which the majority of your events down at the Verizon are on week ends and I just noticed in the report, the Civic Center parking for the first four months is off \$40,000 and some dollars for this year.

Mr. Sherman replied it is but the real reason for that is there just weren't any events. I don't think there were actually any events in August over there. Tim kind of left August open, the arena is a couple of years old, he kept August open so he could do he could really clean it up and do some things. So then the fewer events clearly as we get further in, the hockey season has now kicked in and those types of things, I think you'll see those number back up.

Alderman Gatsas asked Randy, can you tell me what are we losing at Wall Street Tower?

Mr. Sherman answered Wall Street because we're making that payment is over \$300,000 a year.

Alderman Gatsas asked and when does that end? Next year or the year after.

Mr. Sherman replied I guess I wouldn't want to give you an answer. I'm not positive that I've got that right here. It is in the next couple of years.

Alderman Gatsas stated I've had conversations with Representative Hughes who owns Wall Street Tower. I believe there is some City loans there also.

Mr. Sherman replied yes.

Alderman Gatsas asked has anybody every attempted to sit down and negotiate out a deal that one either giving the loans to see where we're at on a comparative basis on the dollars we're losing on a yearly basis or is that we're just paying \$300,000 because we're just good guys.

Mr. Sherman replied I believe they were two separate agreements. Now this goes back to the mid eighties so you're challenging me here on my memory. But I believe that they were two separate agreements. The issue with loans is that they were actually carried by GMDC, which is now the MDC. They have in essence written off those loans because I believe they were based on excess cash flow. But I also believe that if they ever convert it over to condominiums that they would have to pay those off. But there were multiple loans, the GMDC took either second or third position and the City actually is getting its money. The City had a very small amount in it, but there's over I believe \$6 million on MDC's books and that doesn't count any interest. They've stopped accruing interest; it just made no sense to throw that number in there.

Alderman Gatsas asked isn't GMDC an arm of the City?

Mr. Sherman answered yes.

Alderman Gatsas asked why wouldn't somebody come before this committee or some other committee to explain how the cost is \$300,000 a year, when somebody owes us \$6 million that we've forgiven?

Mr. Sherman replied again, I guess I can't answer that. But my suggestion is that they are two separate agreements. One is a loan agreement, one is a rental agreement, we're paying the rental, that's what we had agreed to, and on the other side it truly was a cash flow, which we've seen at Tarrytown and other places. That's how those projects were done. I think it was Kodak money, the old

housing development action grants and that's the way. It was Federal money that was given to the City that we then in turned loaned for the project.

Alderman Gatsas stated I know I can't make a motion but I would think that somebody on this committee would want an update, I don't see many of us that were sitting here since the 1980's.

Alderman Thibault asked who should we send it to?

Mr. Sherman replied we can go back and I can get you all the information that we have on it.

On motion of Alderman Thibault, duly seconded by Alderman Osborne, it was voted to get an update from the Finance Department on the Wall Street Tower agreements.

Alderman Gatsas asked are there any more of these loans out there that are forgiveness loans that the City has the ability to collect some money hat we don't know about that's been looming? I think I can refresh you memory on one I think.

Mr. Sherman asked which one?

Alderman Gatsas answered Lowell Street.

Mr. Sherman replied no, Lowell is paying. They've asked several times to refinance it.

Alderman Gatsas asked but haven't they come to an end date that they need to pay the City \$1 million?

Mr. Sherman answered no, that's pretty far out. Again, I can look at that one as well, but I remember when we were refinancing it.

Alderman Gatsas stated if you could send the documentation on that.

Mr. Sherman replied okay. I'd have to go back. A lot of those were done through GMDC at the time or MDC. I don't believe they have any other things where they've got allowances set up for them. We're still getting payments for loans for the Center of New Hampshire when that whole thing was done. I'll go back and review those loans.

Alderman Thibault asked shouldn't that go to the Traffic Committee. Traffic is in charge of that. Shouldn't it come from Traffic?

Chairman Smith stated we can make a recommendation tonight.

Alderman Thibault interjected send it to Traffic and the information and then bring the motion out. I think it should come out of Traffic.

Alderman Gatsas stated it would have to go to Lands & Buildings.

Chairman Smith stated we'll try it this way first.

Alderman Shea asked Randy, how about the other two items that you mentioned?

Mr. Sherman stated one would be the RFP for the comprehensive study and then the other one would be trying to do the trial run on the multi space meters.

On motion of Alderman Thibault, duly seconded by Alderman Osborne, it was voted to refer sale of the Center of New Hampshire parking garage, a comprehensive study of both private and public parking downtown parking, and arrange for a trial run on multi space meters near the Civic Center.

There being no further business to come before the committee, on motion of Alderman Shea, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee